



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
www.ladpw.org

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE: **EP-2**

June 19, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012-2756

Dear Supervisors:

MALIBU GARBAGE DISPOSAL DISTRICT SUPERVISORIAL DISTRICT 3 4 VOTES

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Public Works and the Auditor-Controller to reduce the reserves and fund balances in the Malibu Garbage Disposal District (Supervisory District 3) by providing a credit of the Garbage Collection and Disposal Service Fee to each eligible parcel of property in the District in an amount equivalent to the amount of the annual Service Fee assessed on each said property's Joint Consolidated Annual Tax Bill (\$120 per refuse unit) for Fiscal Year 2003-04. Total amount of the refund is estimated at \$340,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

In 1999, the Auditor-Controller completed a comprehensive fiscal review of Public Works. As a follow-up to the fiscal review, your Board approved the reduction of the reserves and fund balances in the Malibu Garbage Disposal District by providing a refund of the District's Service Fee to those property owners in the District in an amount equivalent to the annual Service Fee assessed on the 2000-01, 2001-02, and 2002-03 Joint Consolidated Annual Tax Bill. Public Works was also to review the District's financial status on an annual basis to determine the adequacy of reserves and fund balances with appropriate recommendation to the Board for its consideration. Our most recent financial analysis indicates that the reserves and fund balances in the District could be further reduced by providing a refund equivalent to the amount of the 2003-04

Service Fee. The recommended refund is to be provided to those property owners in the District whose names are on the Assessor's records as of January 1, 2003, and who had not filed for any refund of the Service Fee during Fiscal Year 2002-03 for utilizing private dumpster services in Fiscal Year 2001-02. The proposed credit is set to equal the annual Service Fee (\$120 per refuse unit). A single-family home equals one refuse unit. As a result, for eligible properties the refund will fully offset the Fiscal Year 2003-04 Service Fee.

Since 1980, the operation of the District has mainly been financed through the collection of an annual Service Fee on the tax roll from each parcel of property in the District. The District also receives a limited amount of ad valorem property tax revenues. Existing fund balance is due to uncharacteristic and/or unanticipated low bids for the District's previous contracts.

Since Fiscal Year 1992-93, on an annual basis, your Board has authorized Public Works to refund the District's Service Fee to those property owners in the District who have elected to utilize dumpster services provided by private waste haulers in lieu of the trash receptacle service being provided by the District. A number of property owners with dumpster services applied and received from the District refunds equivalent to the Service Fee paid. If a property owner received a dumpster refund during Fiscal Year 2002-03 for the Fiscal Year 2001-02, he/she would not be eligible for the credit as recommended above.

We have concluded, with County Counsel's concurrence, that providing appropriate property owners in the Malibu District with a credit equivalent to the Fiscal Year 2003-04 Service Fee continues to be the most feasible mechanism to reduce the reserves and fund balances. The credit would show on the 2003-04 Joint Consolidated Annual Tax Bill of the affected property. This process, while providing the most cost-efficient and convenient method, would allow the District to fulfill its financial commitment during the current contract period. Public Works will continue to analyze the District's financial position on an annual basis to determine if further credits are appropriate and will provide the Board with a recommendation.

Implementation of County Strategic Plan Goals

This action is consistent with the County Strategic Plan Goal of Fiscal Responsibility. As proposed, the refund of the Service Fee to each eligible parcel of property in the District is to reduce the reserves and fund balances in the District.

Honorable Board of Supervisors
June 19, 2003
Page 3

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

Sufficient funds are available in the Malibu District's reserves to provide for the recommended credit.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

County Counsel concurs with the above recommendation.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended Board action will have no impact on the quality of the District's regular and special services being provided to all residential, commercial, and business customers.

CONCLUSION

It is requested that two approved copies of this letter be returned to Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

MCC:my
P:\sec\rfndmal03

cc: Auditor Controller
County Counsel
Chief Administrative Office